Better Business Focus

July 2018

Expert inspiration for a Better Business

Better Business Focus is the essential key for business owners and managers. It achieves that by focusing on the way in which successful businesses compete and manage their organisations. It focuses on how people are recruited, coached and developed; on how marketing and selling is undertaken in professional markets as well as in markets with intense competition; on how technology and the Internet is reshaping the face of domestic and home business; and on how people are being equipped with new skills and techniques. In short, it offers expert inspiration for a better business.

This month's contents

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August J. Aquila

Don't fire clients, serve them!

There have been countless articles that tell CPAs to fire clients. Most of them tell us to rate clients A, B, C and D. You want "A" clients since those are the ones that pay you the most, while D clients pay little or have a very low realization rate.

These articles go on to tell you what to do with your clients – increase the fee, reduce the scope, spend less time, etc. In short, these articles tend to place the blame on the client for being a "poor or bad" client. They tell you to speak with the client, get them in shape or fire them. After all, isn't it the client's fault anyway? They fail to appreciate that the client also has a stake in the relationship. We should ask ourselves: How does the client perceive us? If the client perceived that she received value for the services, she would be more likely to pay the fees. From the client perspective, the equation is Value Received = Fees Paid.

Do you really have a lot of D Clients?

It may be true that your firm has its share of clients that it shouldn't keep. And it makes perfect sense to do something with those clients that don't belong with your firm.

The only clients that you should not have are those who are not profitable and fall outside of your target markets – (See Quadrant IV). These should be outsourced immediately. And, if a majority of them belong to one of your partners – well, he or she might like to go with them.

PROFITABLE **UNPROFITABLE**

Clients in target markets

I. KEEP & NURTURE	II. TRANSITION
III. **MONITOR**	**IV.** **DISCARD**

Clients outside of target market

At your next partners' meeting, have each partner assess every one of his/her clients by placing each one in one of the four quadrants above.

Examine the clients who are profitable for the firm – Quadrants I and III. What can you learn from the partners who are serving these clients? What can you learn from the clients themselves? Clients in Quadrant III are profitable but fall outside of your target market(s). They need to be constantly monitored. As long as they don't take valuable resources away from your targeted clients, there is no reason not to keep these clients.

By definition Quadrants I and II have no "D" clients. Your focus in these two quadrants should be to make your "C" clients "Bs" or "As."

Finally, look at Quadrant II clients. They are in your target market but are unprofitable. These need to be transitioned to the profitable Quadrant I. Ask your partners why these clients are unprofitable for the firm? If you can't transition them into Quadrant I over some reasonable period of time, either transfer the clients to another partner or outsource them. Keeping unprofitable the client with the same partner will only get you the same results – and you already know what those are.

How then does the firm implement this? How do you retrain your partners so you get them to provide clients with services that make them more profitable? How do you provide them with value?

Is your firm Value or Production Oriented?

If your firm is inward or production oriented, then you will always blame your clients for being inefficient, slow payers, and unprofitable for the practice. Production oriented firms sell time. In fact, partners tend to horde chargeable hours, even though another partner could better service the client. Finally, production-oriented firms tend to take on more work outside of their target markets than value/marketing-oriented firms.

Production oriented firms don't provide clients with a lot of value because their focus is on the billable hour.

But, if your firm is value-oriented, you know that these issues are not necessarily the client's fault. In fact, rather than blaming the clients, your focus is on how the firm and how individual partners are viewed by your clients. You need to retrain partners or fire them. What other choices do you have?

What's important to clients, and how do you measure it in your firm? There are a handful of things that matter to most of our clients – service performance – what does the service do for the client, timeliness or meeting promised deadlines, the overall relationship with the firm, and the cost of the service. If the client perceives that he has received a lot of value from the service, for example you suggest he set up an irrevocable insurance trust to keep the value out of his estate, he won't mind paying you for your advice.

Conducting a client satisfaction survey at the end of the year is one way of measuring how well you did from a client perspective. Satisfaction surveys, however, are lagging indicators. They only tell you how you did in the last period. They don't tell you what the future may hold. That's why you also want to measure leading indicators.

If you want to change the behaviour of your partners (and staff), you do so by developing internal measures that tie into the client perspective. In other words, how are each of your partners doing when it comes to value, timeliness, relationship and fees?

Consider setting standards in each of the following measurements:

- Engagements completed/open engagements
- Delivery dates met
- Client turnover percentage per partner
- Number of client complaints
- Client longevity

These are just examples. It is more important for you to determine what is critical to measure in your firm in order to drive change and achieve success. Develop your own set of measures.

What does the Firm get?

At the end of the process, the firm gets more loyal and profitable client relationships. Isn't that what you wanted in the first place? So, the next time someone tells you to fire some of your clients, look a little closer to home. Make sure you shouldn't fire some of your partners before your clients fire you.

About the Author

August Aquila is the founder and CEO of AQUILA Global Advisors, LLC and is a key thought leader for professional service firms (PSFs). He has worked with various types of PSFs in the US, Canada, India and England.

August brings a wealth of hands-on experience to his clients and presentations. He was a partner in a Top50 US CPA firm and a senior executive with American Express Tax & Business Services, Inc., For 30 years he has advised PSFs in the areas of succession planning, mergers and acquisitions, compensation plan designs and partnership issues.

In 2004, 2007, 2009 to 2016 he was selected as one of the "Top 100 Most Influential People in The US Accounting Profession" by Accounting Today.

His articles have appeared in MP (Managing Partner), Journal of Accountancy, CA Magazine, Accounting Today, Of Counsel and other major publications.

Recent books include *How to Become the Firm of Choice, What Makes a Great Partnership, Client at the Core: Marketing and Managing Today's Professional Services Firm; Performance Is Everything – The Why, What and How of Designing Compensation Plans; Compensation as a Strategic Asset: The New Paradigm; Leadership at its Strongest - What Successful Managing Partners Do* and *Engaging Partners in the Firm's Future.*

August holds an MBA from DePaul University (Chicago) and a PhD from Indiana University (Bloomington).

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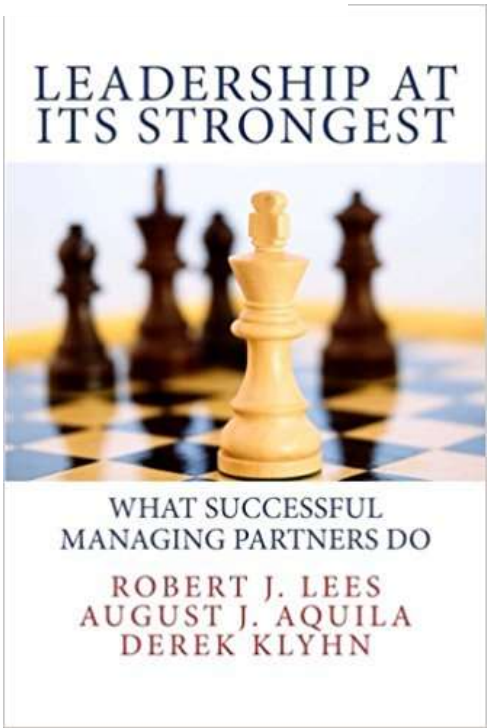

Barry Urquhart

"We don't do call-backs"

Some business practices are well beyond the sage, Albert Einstein, who once stated: *Doing the same thing over and over again and expecting different results is insanity.*

Advising prospective clients who have telephoned that they will have to wait up to 20 minutes to speak to a consultant, and then declaring *we don't do call-backs* is insanity personified and accentuated.

It happens daily. Indeed, all too-often, at great expense to the profile, images, revenues, profits and competitiveness of entities.

Regrettably, managers seem oblivious to the practices and consequences. Hopefully, they do not reflect polices.

The monitoring of incoming calls does not typically recognise, register and report on forsaken businesses opportunities. Indeed, average telephone conversation durations can be reduced, and then applauded by management. Some statistics simply measure the wrong dimensions.

Ignorance about and indifference to service excellence and the value of relationships among receptionists, telephonists and consultants is mind-numbing. Some just don't get it.

The contemporary global, national and local economies are such that few, if any, businesses can afford to readily knock-back or reject outright business opportunities.

However, regular work-practices are erecting barriers, filters and impediments for those who initiated contact and have self-declared they want and need specific products, services and applications.

A lack of astute, discerning and disciplined recruitment, induction, training and development practices is omnipotent.

A COMMON REFRAIN

If I could talk to more people, I could do more business is a common refrain, particularly among incentive-based sales people. They know the innate value and resultant sales that arise from conversations.

Sadly, many employees believe in, and are driven by the contention that they aren't sales people. Wrong. Every team member contributes to the sales process and gracious, courteous and responsive communication is fundamental........ natural and easy.

Business processes that do not involve people are typically self-serving, administrative and do not generate revenue and profits. They are correctly designated to be cost-factors.

There is an increasing awakening that in business we all need to seek out, become involved in, enjoy and follow-up opportunities to communicate.

Incentives should not be required to encourage and to have all team members willingly undertaking call-backs. *Ringing up prospective customers and clients* is the first step in ringing up increased sales and profits.

Indeed, the most consistently successful business, marketing, sales and service people make it a practice to "call-back" existing prospective and past customers. They know that conversations are on-going, and that they need to be part of the process, to ensure that they enjoy the outcomes and consequences.

NEVER TOO BUSY

No-one should ever consider themselves to be too busy to make call-backs – or to initiative contacts.

Administration duties, meetings, and budgeting can wait. Customers won't and should not be made to do so.

Attrition rates among the relationships with established customers are rising, in some instances up to 40% per annum. Winning back those customers can be, and is, complex, involved, expensive and time-consuming.

Policies like *we don't do call-backs*, do free-up time in the now, and in the future. Over the longer-term there are few or no customers to call-back, speak to or to seek out.

CALL-BACK DISCIPLINES

There is much to herald about the disciplined practice of call-backs, including:

- Commitments should be given and fulfilled about call-backs.
- Time horizons should be nominated.
- Records of conversations, undertakings promised and milestones achieved should be documented, retained and programmed for follow-up (to enable further call-backs).
- A daily schedule of at least 6 self-initiated call-backs should be implemented, to maintain enhance and celebrate relationships – which are founded on, and sustained by communications.

FOOTNOTE TO MANAGERS

I commend those who become aware of the practice by competitors that they don't do call-backs, to initiate contact with the managers of those entities to surrender yourself as being willing to receive and collate the names of those unfilled customers so that they can make those annoying, disruptive, time-consuming call-back calls.

For those customers who are subjected to the inane, if not insane practice of "no call-back policies" contact management and enquire about the identity and contact details of competitors who do call-backs.

They might just get a clear message......hello.....no hang-ups.

About the Author:

Barry Urquhart, Managing Director, Marketing Focus, Perth, is an inspiring speaker, author of Australia's top two selling books on customer service and an international consultant on dynamic innovation and creativity. Barry is author of six books, including the two largest selling publications on service excellence in Australasia. His latest is: "Marketing Magic – Streetsmart Marketing". He is a regular commentator of consumer issues on ABC radio, is featured on a series of interview topics on "Today Tonight" and contributes articles to 47 magazines throughout the world. His latest presentation is: "Insights on 'The Big Picture' - Future-Proof Your Business".

He is one of Australia's most active keynote speakers and is an internationally recognised authority on quality customer service, consumer behaviour and creative visual merchandising. Marketing Focus is a Perth based market research and strategic planning practice. The firm and Barry consult to multinational, national and local entities in the private sector and the public sector. He is a former lecturer in Marketing and Management at the Curtin University of Technology and has degrees in marketing, political science and sociology.

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Danish Wadhwa

Learn how to protect against malware and become cyber aware

Most security breaches are the outcome of human error. Several attacks in the past are the result of mistakes caused by an insider. Your organisation cannot be safe against a cyber-attack until every individual in the company participates in understanding their roles and responsibility.

The common issues which can be faced by employees or their organisation are:

- Vulnerability in sensitive information,
- Intellectual property burglary or
- Malware attacks.

To protect yourself against all these threats you need to examine your security and adopt all these strategies:

Understand Threats and Train Yourself:
The world of internet is full of threats and insecurities. Until you are fully prepared from your side, you cannot stay safe on the world wide web. Several cyber threats are hovering over your personal as well as business-related sensitive information.

You can achieve the best level of security only if you are aware of the methodology or type of attacks used for hacking into your system. There are numerous platforms available over the internet offering you to protect yourself from cyber-attacks. You can participate in outstanding cybersecurity training offered by them as its curriculum is designed by professionals to keep you updated with trending protection methods and information.

Introduction to safety-related training is imperative to make your employees cyber aware. These programs help them to understand how and why hackers can compromise their data.

Antivirus and Firewall Protection:
Antivirus is a software program which helps to detect and remove malware from your system. Installation of antivirus software helps you to achieve security from threats such as ransomware, worms, trojan horse and other malicious programs. You can get paid antivirus application from various security vendors available over the internet.

Antivirus is not enough to provide satisfying security to your system. The use of a firewall is very beneficial as it controls all the incoming and outgoing traffic on the basis of elucidated rules. It creates an obstacle between your system and incoming untrusted traffic.

Password Protection:
Generally, people use passwords which are easy to remember while making transactions such as net banking, social signing in etc., over the internet. Using such common passwords puts them towards higher risk of security breaches because hackers use brute force technique to discover a user's password, and sometimes they become a success in achieving the information. So always try to select a distinctive and unique password for your login details and change it on a regular basis to achieve maximum security.

Secure Encryption:
If you are providing any sensitive data to a website which does not contain any secure socket layer (SSL) certificate, there are chances that your data can be compromised. The primary motive behind the inclusion of SSL in websites is to provide prevention from man-in-the-middle attacks. SSL works on the transport layer of the HTTP protocol pledging authentication of in and out data on the server.

Backup and Recovery:
Data is the central pillar of any organisation. Here, data refers to all the sensitive information including bank details, customers' information and so many other useful dossiers. Data insecurity is one of the widespread issues because data can be the main motive of hackers behind the attack.

So, creating multiple safe back-ups for future use is the best practice for keeping your data secure. You can store your information over public or private cloud depending upon your need. Cloud Service Providers offer a variety of managed services such as cloning, recovery, monitoring, creating snapshot etc., to provide security for your data with a minor investment. There is a probability of losing data in case of accidental loss. You can recover data from your backup devices to use them again for your business operations, see here.

Multi-Tier Protection:
Most websites have implemented multiple layers of security to provide a safeguard to their users. You must use three-layer authentication protections such as one-time password, authenticator etc., for acquiring a powerful security boost to your credentials.

Considering Intrusion Detection System (IDS):
IDS is a software application for monitoring your network against malicious activities. Whenever it detects such events, it triggers an alarm to central management for acknowledgement to take immediate actions. Installing IDS in your system is very helpful for monitoring threats.

Walking a holistic path with these tiny procedures can get you towards a safe base of security. These small investments can save a significant amount and time for a secure tomorrow.

About the Author
Danish Wadhwa describes himself as *"a Growth Hacker & Digital Marketing Consultant with an Entrepreneurial instinct".*

He is an IT graduate, formerly from India, who landed in digital marketing by will. Being an avid writer, he took everything he learned in his career to help SMEs learn from his Growth Marketing Blog at Fly.Biz/Blog

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John Niland

11 human-friendly ways to keep in touch

Keeping in touch is vital for business-development, but just as importantly it's about building relationships. It's worth remembering that we are dealing with fellow human beings. So if we approach them as humans, rather than as mere prospects, we might find more interesting ways to keep in touch than here's-another-white-paper-I've-written.

As I prefer a Top Eleven to a Top Ten, here goes:

1: Ask your prospects open-ended questions, rather than preaching answers. Not just rhetorical ones, but real questions that genuinely invite response. For example, "How do you deal with the problem of….?" Or "What's the biggest challenge you face with…?"

2: Only write what someone has asked for. Really. (Thanks to Liz for requesting this resource). Most newsletters are a reflection of what people want to write about – rather than want to read.

3: A bit of humour helps. "Imagination was given to man to compensate him for what he is not; a sense of humour to console him for what he is." (Francis Bacon). Remember in all communication that your prospects would rather deal with you than with an anonymous corporation.

4: Think of specific, useful tips — rather than offering generic advice that nobody can ever use. The latter is a bit like a dog chasing a car; if he caught it, could he drive it? Examples could be top 10 advice, checklists, weekly to-dos, monthly to-dos, that are a detailed reflection of your expertise.

5: Reach out to people for inviting them to contribute to your content as an expert. Being appreciative of their expertise – individually and specifically – is a very human and friendly way to connect. Make sure you have a system for following up, if you do quote them to let them know.

6: Keep it short. (Being Irish, I'm not even trying to model this. It's rude in our culture 😉)

7: Tell us about your flops as well as your successes. Flops are often far more interesting. How can your flops teach a lesson? How does it point back to your expertise or work? What pitfalls can you therefore save others falling into: such as development programs that cannot be implemented, or security issues that can be prevented?

8: How about some fun calls to actions, other than "sign up for…"? Surely human imagination can do better than this? For example, let me review XYZ for free.

9: Avoid all jargon and TLA's (Three Letter Abbreviations)

10: Tell us the story that taught you that wonderful approach. Warts and all. We probably remember the story better than the approach.

11: Invite people to a social event. Sure business breakfasts can be good, too… but many of these are rather boring affairs.

About the Author

John Niland is best-known as a conference speaker on doing higher value work and creating more opportunity via better conversations. His passion is energising people: boosting growth through higher energy levels, that in turn leads to better dialogue and business growth.

Since 2000, John has been coaching others to achieve success, with a particular passion for supporting professionals "who wish to contribute rather than just to win, and hence do higher value work via better conversations with clients and colleagues".

In parallel, John is one of the co-founders of the European Forum of Independent Professionals, following twelve years of coaching >550 professionals to create more value in their work. Author of The Courage to Ask (together with Kate Daly), Hidden Value and 100 Tips to Find Time.

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Greg Satell

Don't break down silos, connect them

Nobody likes a silo. Or a stovepipe for that matter. These insular structures restrict the flow of information, which makes it hard to coordinate action and adapt to change. In some cases, it can even lead to disastrous consequences like the General Motors ignition switch scandal. So, it should be no surprise that managers try to break down silos whenever they can.

The problem is that when you reorganize to break down one kind of silo, you inevitably create others. If, for example, your company is organized around functional groups, then you will get poor collaboration around products. But when you reorganize to focus on product groups, you get the same problem within functions.

The answer is to not try to eliminate silos, which are inevitable and often have important benefits, but to connect them effectively. Yet that's easier said than done. As Chris Fussell explains in his new book, *One Mission*, it requires us to reimagine how organizations really function and learn to shift our thinking from hierarchies to networks.

Why We Need Silos

For all of the complaining about silos and stovepipes, there is very little discussion about how they arise. For any significant task, you need highly skilled specialists working closely together. As they develop strong working relationships, they develop their own ethos, working terminology and build strong bonds of trust.

This is especially true of elite teams, who develop a code of excellence. For them, membership in their tribe requires sacrifice, dedication and commitment. Perhaps not surprisingly, they are often suspicious of outsiders, who do not share their identity and prefer to stay within their own ranks.

"A SEAL platoon is made up of 16 fairly average guys with a high tolerance for pain and an extremely strong desire to work as a team. They become far more than a sum of their parts — it's a non-linear equation," Fussell, who is a former Navy SEAL himself, told me. "So you want to preserve that, but at the same time be able to scale it up to an organizational level."

In a typical hierarchal organization, that's very difficult to do. Authority comes from the top and travels downward. Incentives, both monetary and cultural, reward behaviour that benefits the tribe. Everybody wants their team to outperform others, be recognized for their accomplishments and be rewarded accordingly. We need to identify a different model.

Understanding Network Dynamics

In management circles, the term "networked organization" has come into vogue, but network dynamics are often misunderstood. The phrase is commonly used to mean an organic, amorphous structure, but really a network is just any system of nodes connected by links. So, in that sense, any organizational structure is a network, even a hierarchy.

For functional purposes, networks have two salient characteristics: clustering and path length.

Clustering refers to the degree to which a network is made up of tightly knit groups while path lengths is a measure of social distance — the average number of links separating any two nodes in the network.

We often hear about the need to "break down silos" to create a networked organization, but this too is a misnomer. Silos are functional groups and they need a high degree of clustering to work effectively and efficiently. The real problem in most organizations is that those silos are disconnected (i.e. path lengths are too long) and information travels too slowly, resulting in a failure to adapt.

The most efficient networks are small world networks, which have the almost magical combination of high clustering and short path lengths. So, silos aren't the issue — high clustering promotes effective collaboration — the trick is to connect the silos together effectively.

Platforms For Connection

There are a number of ways to network your organization. Internal training programs and offsites can help build crucial links between disparate divisional and functional areas. Some companies, like General Electric, encourage executives to work in multiple divisions during their career, building not only a wide base of expertise, but also important relationships.

Yet Fussell points out that today our environment moves much faster and link building needs to reflect the cadence of the marketplace. Sure, it's helpful to have long-term relationships that span organizational boundaries, but we often need to build new connections in real-time as a situation develops.

In *One Mission*, he describes two such platforms for connection. The first is the Operations and Intelligence (O&I) forum. These are meetings, usually held among a core set of people but open to anybody in the wider organization through videoconference. It is held regularly, usually daily or weekly, and is made up of short briefings on anything important that is going on.

The second is liaison officers. These are not the usual coordination positions but are restricted to high performing executives that can build credibility throughout an organization. For example, liaison officers at Eastdil Secured, a real estate investment bank, hold their positions for nine months and are responsible for explaining what relevance recent transactions in their office may have for the greater organization.

What's crucial to understand is that the goal of these platforms is not to create a "matrixed organization" — a truly networked enterprise can never be captured on an organization chart — but to foster informal linkages. For example, a liaison presenting the emergence of a new investor looking for a particular type of deal on an O&I forum might get a private message from someone else tuning in.

The New Role of Leaders

Historically, organizations were designed for stable environments. Strategy was formulated by a single, heroic leader, whose wisdom was augmented by the eyes and ears of a small group of confidantes. Hierarchies were set up with vertical lines of authority in order to carry out orders from the top. Success was measured against plans that were handed down from the top.

Yet today, we have to manage for disruption, not stability. "We need to debunk the 'heroic leader' myth. If we believe in mountain top leaders, we end up centralizing our organizations around the mountain top instead of pushing accountability to people who are closer to the problems." Chris Fussell told me.

So today the role of leaders has changed. Their primary function is no longer to plan and direct action, but to inspire and empower belief around a single mission and to shape networks that enable actions to take place at the speed which the environment demands. That, in turn, requires the use of platforms that allow everyone in the enterprise to access ecosystems of talent, technology and information.

So, stop obsessing over silos and start thinking about how your organization can transcend them.

About the Author

Greg Satell is a popular author, speaker and innovation advisor, whose work has appeared in Harvard Business Review, Forbes, Fast Company, Inc. and other A-list publications. Over the last 20 years he has managed market leading businesses and overseen the development of dozens of path breaking products.

Greg helps organizations to grow through bringing "big ideas into practice." He applies rigorous frameworks to identify the right strategies for the right problems, helps build an "innovation playbook" to tackle the challenges of the future and drive transformative change.

His first book, *Mapping Innovation: A Playbook For Navigating A Disruptive Age* was published by McGraw-Hill in 2017. In November 2017 Greg's book made the long list for 'The 2017 800-CEO-READ Business Book Awards Longlist': http://inthebooks.800ceoread.com/news/articles/the-2017-800-ceo-read-business-book-awards-longlist

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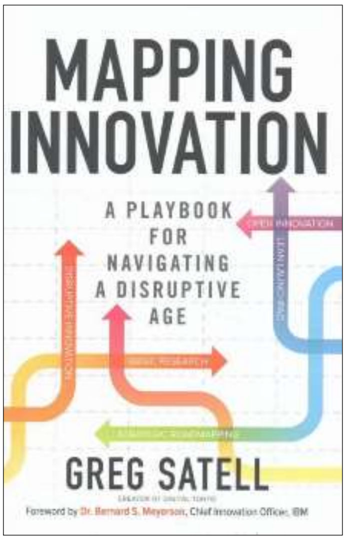

Michael Graber

How to create a culture to capitalize on innovation

Creating a Commercialization Culture

A presentation by Jay Morgan, VP Global Innovation Bayer Consumer Care given at the back end of Innovation Conference, October, 2015.

Jay Morgan shared his story of how Merck Consumer Care (now Bayer Consumer Care) began its innovation journey.

The story takes place in Memphis, TN. It begins in 2011. It began with struggle and a question: What are the barriers to innovation in your business that are keeping you from producing the desired results?

In 2011, things were "pretty good, but not seeing great growth." We got a new CEO who had a very big vision. She wanted to double the size of the business in five years.

Because we were not going to get double the people or double the budget, we had to think in new ways. Value engineering and being more efficient wouldn't double growth.

Fiist, we studied the situation. In Pharma style, we visited other more innovative companies and made a journey of discovery.

The patterns of behaviour and culture at these companies ran counter to our pattern. We lacked both ideas and execution—it was a cultural problem. We weren't getting the results we wanted.

We broke the study into two camps: Incremental Cultures and Innovation Cultures. After a look into the mirror: we confessed we were an incremental culture and needed to change.

The innovation companies had a bias for action, shared work-in-progress, deep collaboration, and shared workspace.

Even the way Insights are gathered and shared are different at Incremental and Innovative companies. At Innovation companies, we go out into the context of the market itself, having in-depth and meaningful conversation with consumers.

The frame of the opportunity expands beyond new product development into every touch point in the brand experience: digital, communication, claims, packaging, shopping experience, or a business model innovation.

We developed a five-point plan for changing the culture:

- Learn by doing (three projects in one year, as a prototype)
- Start small ($50k budget)
- Work on tools and culture (Design Thinking; One table, no offices)
- Work in more cycles (Memphis Innovation Bootcamp)
- Get help (bring in the Southern Growth Studio to do the projects with us instead of for us)

We also co-founded the Memphis Innovation Bootcamp with Merck, Michael Graber of the Southern Growth Studio, Dr. Brian Janz, and a few others to share this toolkit and create a broader culture of the Memphis community. In Memphis, we took innovators and applied to social challenges that benefited the Memphis community. We mastered the material by teaching in in several cycles of the Bootcamp.

Key learning for success: Engage the whole company. Form a Realization team—of key players that will help you realize the concept in the market. Debrief everything. Create revenue-based metrics.

The key takeaway was don't wait for leadership to fix the culture. Start. Just start. Start small. Share the results, then scale with each success.

About the Author:

Michael is Co-Founder and Managing Partner at Southern Growth Studio. Michael leads the qualitative team with particular focus on innovation, to deliver high-impact go-to-market strategies and product launches.

Michael has more than twenty years of experience leading marketing and innovation efforts. An expert in experiential marketing and user interface, Michael has consulted across a wide range of industries through his work at iXL and advertising agencies. He previously founded Johnson|Graber, a successful interactive marketing firm that was acquired by Memphis-based Lokion in 2004. Also, an accomplished brand strategist, Michael has advised a myriad of clients on the positioning strategy and value proposition.

A published poet and musician, Michael is the creative force that compliments the analytical side of the house. Michael speaks and publishes frequently on best practices in marketing, business strategy, and innovation.

Michael holds a M.F.A from the University of Memphis.

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Braden Kelley

Innovation or not? – Domino's hotspots

Innovation can come from a number of different potential sources of inspiration and insight. The most typical source of course is understanding customer needs. This is the source for the whole design thinking movement, but there are still a number of other potential sources of inspiration and insight for potential innovations. But, in this case we will be examining a potential innovation building not only on an unmet customer need, but one that iterates on previous attempts by a company to address the same unmet customer need – the desire to have a pizza delivered when you're not at home.

In the world of pizza delivery, the process has always had at its core, a street address, because the context for both the pizza ordering system and the delivery driver was linked to the world of the street map. But sometimes customers want to enjoy a hot delivered pizza in a place that doesn't have a street address and companies like Domino's Pizza had no way to address this scenario. The street address had become an orthodoxy.

By understanding this unmet customer need and challenging this orthodoxy, Domino's arrived at the concept of the **pizza door on a beach** in the Netherlands back as early as 2009 (if not earlier). The phone number for the local Domino's Pizza was on the door and after the order was placed the Domino's Pizza delivery person would bring the pizza(s) to the door and ring the doorbell to let the customer know when they have arrived.

A creative solution to the unmet customer need, an interesting invention to challenge the street address orthodoxy, but definitely NOT an innovation as it can't scale to replace the street address centric approach to pizza delivery.

But, Domino's Pizza hasn't given up iterating on this unmet customer need and today launched their latest approach to solving it which they call Domino's Hotspots.

The concept is simple:
Stop defining delivery locations by street addresses, and instead define them by GPS coordinates.

As soon as you stop limiting potential delivery locations to places with street addresses and instead view it through a mobile-centric lens (including GPS coordinates and location-based services) then you can start mapping popular locations without street addresses to GPS coordinates that both customers and delivery drivers can use to get pizzas to customers, while also sending customers text updates of both the progress of the order and the pizza's ultimate arrival at the chosen location.

It's all driven out of the Domino's Pizza mobile app, which also makes it a great way to create customer loyalty, to gather customer behaviour data, and to drive repeat business.

So, what do you think?

Innovation or not?

This article originally appeared on Innovation Excellence

About the Author

Braden Kelley is an experienced innovation speaker, trainer, and digital transformation specialist. He is the author of Charting Change and of Stoking Your Innovation Bonfire, the creator of the Change Planning Toolkit™ and an InnovationExcellence.com co-Founder. Braden has been advising companies on how to increase their revenue and cut their costs since 1996. He writes and speaks frequently on the topics of continuous innovation, digital transformation, and organizational change. He has maximized profits for companies while living and working in England, Germany, and the United States. Braden earned his MBA from top-rated London Business School.

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Ron Kaufman

Introduction to the seven rules of service leadership

Leaders can’t just tell people to serve; every day they must show people how to serve and teach them why it’s so important. People at every level of an organization will only make a service vision come alive when their leaders are living it, too.

In our experience working with many of the world’s outstanding organizations, we have discovered seven essential rules successful service leaders always follow. Some leverage the power of one rule more than another. But each of these rules is essential to lead your team to success.

Introduction to The Seven Rules of Service Leadership

1. Declare service a top priority
2. Be a great role model (walk the talk)
3. Promote a common service language
4. Measure what really matters
5. Enable and empower your team
6. Remove the roadblocks to service
7. Sustain focus and enthusiasm

About the Author

Ron Kaufman is author of The New York Times, USA Today and Amazon.com bestseller, “Uplifting Service! A Proven Path to Delighting Your Customers, Colleagues and Everyone Else You Meet” and 14 other books on service, business and inspiration. He is also the founder of UP! Your Service, a company that enables organizations to build Uplifting Service cultures and enjoy a sustainable advantage.

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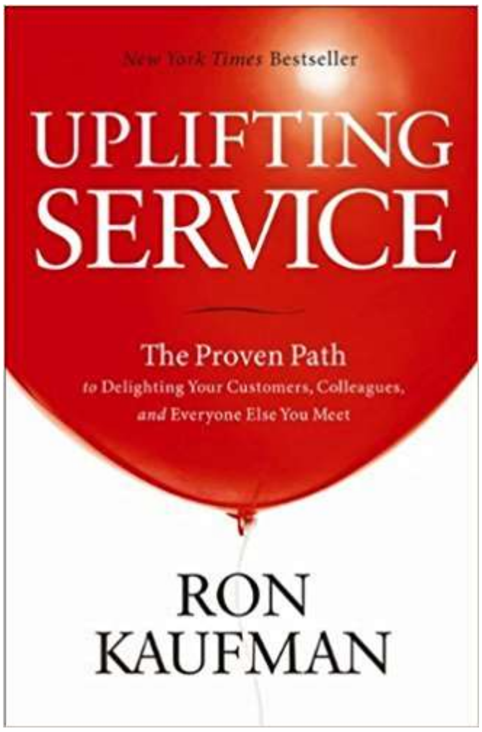

Rowan Gibson

Inside Alibaba – Jack Ma's digital innovation factory

Artificial intelligence. Augmented reality. Facial recognition. Connected "internet" vehicles. Global virtual marketplaces. App-based digital payment systems. Pharmaceutical e-commerce. Humanoid robots. Giant vending machines for cars. This is not just the magical stuff of today's digital-driven, transformation economy. It's a snapshot of the cutting-edge innovation work currently underway at one of the world's most exciting and admired companies: the Chinese tech titan, Alibaba Group.

In many ways, Alibaba could be described as a digital innovation factory – a powerhouse that seems to be as efficient at pumping out and rapidly commercializing new technology ideas, services, and ventures as other Chinese factories might be at producing sports shoes, syringes, or electrical appliances.

Unfortunately, in the western world, the vague notion persists that Alibaba is merely a Chinese mash-up of Amazon and eBay – an e-commerce giant with a formidable lock on its own local market and big ambitions to expand globally. But the reality is that the company has long been far more than that.

Alibaba's "Digital Lifestyle" Ecosystem

Starting out in 1999 as a B2B web portal for connecting local Chinese manufacturers with potential customers overseas, Alibaba today has the distinction of being the largest e-commerce company in the world, with $430 billion in gross merchandise volume (surpassing all US retailers, including Amazon, Walmart, and eBay combined), and a market cap that has exceeded US $500 billion.

The clue to understanding Alibaba is to look at it not as a company but as a complex, fully integrated, and ever-growing ecosystem of digital services, entrepreneurial merchants, and innovative new technologies, offering customers a seamless and continuously evolving digital immersion experience across multiple channels and online platforms.

Over 500 million Chinese customers have made Alibaba's Taobao platform part of their daily shopping habits, making it by far China's largest consumer-to-consumer online marketplace. More than 150 million daily visitors browse the platform's virtual shops every day, where over a billion products are listed, and easily buy what they want using Alibaba's now-ubiquitous digital payment system, Alipay. Taobao is so popular – and offers such a broad range of products that cater to every need – that it has achieved an amazing 95 percent penetration rate in China's consumer-to-consumer online retail market. According to Deborah Weinswig, Managing Director of research company Fung Global Retail Tech, Taobao is now making a "shift from a traditional online transactions platform to a lifestyle destination platform."

Another major part of Alibaba's ecosystem is Tmall – formerly known as Taobao Mall – which is China's largest business-to-consumer (B2C) platform, giving both global and local Chinese brands and retailers frictionless access to the Chinese market.

The platform, which now features over 70,000 international and Chinese brands, has an almost 60 percent share of the Chinese B2C online retail market (more than double that of its closest competitor, JD.com), and over 500 million monthly active users. It is also one of the world's top 20 most visited websites. One of its main attractions for brands (including names like Apple, Coca-Cola, Nike, Zara, and L'Oreal) is the way Tmall leverages and integrates smart technologies like big data analytics, virtual reality and augmented reality to create personal engagement with consumers as part of their digital lifestyle. Another is the seemingly never-ending online consumer events that Tmall hosts throughout the year to generate online traffic.

When you take the runaway success of Taobao and Tmall and then add Alipay digital payment, and Weibo (which is like a Chinese version of Twitter), Laiwang social messaging, Alibaba Cloud, which serves businesses with e-commerce data processing, data customization and e-commerce data mining (and that has outperformed major cloud computing players including Amazon, Microsoft and Google in revenue growth), digital video services (and Chinese distribution of Hollywood blockbuster franchises like *Mission Impossible* and *Star Trek*) as well as its own movie production via Alibaba Pictures, location-based mapping (like Google Maps, enabled by the acquisition of Auto Navi), Ant financial services, Alimama data-based online advertising, a logistics system that can deliver products to consumers within two hours, a media portfolio that includes the South China Morning Post, and so much more, you begin to grasp the immense and growing scope of Alibaba's "digital lifestyle" ecosystem. Fast Company calls it "one of the most sophisticated and lucrative online retail ecosystems in the world."

In July 2016, Alibaba Group and SAIC (Shanghai Automotive Industry Corporation), one of the largest auto manufacturers in China, teamed up to launch the Roewe RX5, a brand new SUV that incorporated Alibaba's ALIOS operating system and that was dubbed "The world's first mass-produced internet car." Just one year later, in July 2017, the Roewe RX5 was already the 6th best-selling SUV in its category in China. And, most importantly, when asked about their buying decision 75% of customers said they purchased the RX5 because of its connectivity. In other words, what they valued most of all was not the car's design or its comfort, its engine performance, or its safety standards, but the fact that it gave them the connected mobility that would integrate them seamlessly with the rest of Alibaba's ecosystem, where smartphones, shopping sites, payment systems, video services, IOT-enabled home appliances, wearable devices, and – yes – cars, are all linked together as part of one comprehensive digital immersion experience.

The fact is that, if we want to make an analogy, Alibaba is more like Google, Amazon, Facebook, Twitter, eBay, and Paypal, plus a whole lot more, all rolled into one. That combination has put the company in a unique and very powerful position to drive and lead digital innovation and transformation not just in China, but all around the world.

Unpacking the Success Story

Combine all the various areas of expertise mentioned above and you have a conglomerate big enough to provide stiff competition to all of its direct and indirect competitors, whether they are large international companies or local players. Considering that it's not every day you see a relatively small ecommerce startup establish itself at the very top of the ladder, let's take a look at some of the factors that drove Alibaba's success in the market.

- **Flexible Business Model:** Alibaba has never made the mistake of developing an overly narrow self-image that pigeonholes the firm in just one particular market sector. Instead, the company's expanding ecosystem has allowed it to provide many kinds of services to many kinds of businesses in numerous industries and countries, as well as to millions of customers with a broad range of interests and needs, both inside and outside China. This flexible view of the business model has enabled Alibaba to stretch into a wide diversity of new business opportunities.
- **Trusted Financial Model:** Alibaba understood from the very beginning that in the sometimes murky world of online transactions, trust, transparency and fairness had to be paramount. This founding principle has enabled the company to establish itself as the leading and most trusted player in Asia's online peer-to-peer marketplaces.
- **Unconventional Profit Model:** Many customers believe that Alibaba's rapid rise to the top is thanks to its menu-styled pricing method rather than charging subscriptions or admission fees.
- **Support Services:** Before any of Alibaba's competitors in the industry seem to have had an idea about how important support services were, Alibaba realized that ensuring and maintaining a positive customer experience was vital for growth. The company's comprehensive structure for service and support ensures the satisfaction of its customers everywhere.
- **Target Audience Sensitivity:** Every business decision that Alibaba takes, and every innovation it introduces, is precisely designed with the target audience in mind. The company focuses on understanding the evolving needs of its customers and then designing digital solutions from the customer backward. Owning so much data about the buying preferences of so many millions of customers, Alibaba can use the latest technology to effectively innovate based on the most grounded and important customer insights.
- **Integrated Platform Ecosystem:** As mentioned above, Alibaba is not just one platform. It is an integration of numerous platforms, all of which are correlated and interactive, that serve a wide and growing audience. This correlation streamlines the user experience and helps the company provide a seamless digital lifestyle across multiple channels and platforms.

Driving Digital Innovation and Transformation

One thing is clear about Alibaba. The company never stands still. The Chinese have a saying that roughly translates into "walking with wings", which is all about moving swiftly forward to grab new opportunities. This is one of the principles that describes daily life at Alibaba Group. There is always a sense of urgency in the air, based on the understanding that the digital technology world is rapidly developing and that today's solutions can become obsolete faster than ever before. So, complacency is never an option. At Alibaba, everyone is always striving to leap to the next thing, and the next thing, and the next thing.

This explains why the company has put such strong emphasis in recent years on the emerging automotive and urban transportation landscape, viewing the car as "a smartphone on wheels" or as the next mobile appliance. According to Jeff Zhang, Alibaba's Chief Technology Officer, "Smart operating systems become the second engine of cars, while data is the new fuel." As he puts it, "E-commerce, financial payments, logistics, entertainment—all of these different application scenarios exist within the Alibaba ecosystem. And the company has algorithm-based, real-time updating based on all of the data collected from its products, from the commerce on its platforms, and around its users." It is exactly this kind of user-centered data that becomes the new fuel in a world of connected mobility.

With the data Alibaba gathers from its customers, the company is now applying the techniques of AI – including Deep Learning and Machine Learning – to generate high-quality insights into user needs, preferences, and behaviours, and to respond with products and services that are perfectly matched to these users. Alibaba's expertise at handling excessive web traffic and huge amounts of data is no secret. During last year's Singles Day, the biggest retail event in the world (far bigger than Black Friday and Cyber Monday combined), which generated a record $25.3 billion (168.2 billion yuan) in sales in just 24 hours, the company's processors were able to handle 256,000 transactions per second, or well over 15 million transactions per minute, without a single hiccup. Interestingly, about 90 percent of those transactions were done via mobile phone.

Driving digital innovation and transformation also means exploring completely new fields. As an example, Alibaba has recently invested in two of the three leading start-ups in China that specialize exclusively in facial recognition. One application of this technology is an automatic payment service called "Smile to Pay" which has been debuted at KFC in the eastern Chinese city of Hangzhou. Based on the use of a sophisticated 3-D camera that scans a customer's face to verify his or her identity, the new service allows customers who are registered to the Alipay app to pay for their food order just by smiling at one of the restaurant's self-service screens to authorize the purchase. On a similar note, customers of Pizza Hut may have come across the humanoid robot, Pepper, helping them place their order and make the payment. It turns out that Alibaba has invested over $100 million in Pepper's manufacturer, Softbank Robotics in Japan, representing a 20% stake in the company.

This year, Alibaba also teamed up with Ford to unveil a giant, 5-storey fully automated car vending machine in China's southern city of Guangzhou, that contains over 40 new cars and is completely unmanned. Users of Tmall and Taobao can simply select a car on the mobile app, verify their identity and authorize the payment via facial recognition, and the car will be dispensed from the vending machine using robots. The whole process takes less than 10 minutes.

Visionary Ambitions

Of course, it's impossible to understand Alibaba without considering its visionary founder, Jack Ma, and his ambitions not just for the company but for China and the world.

Indeed, it is precisely these visionary ambitions that drove a once-penniless English teacher to eventually become the Chinese kingpin of technology and the richest person in Asia, presiding over a $300 billion empire.

According to the *Washington Post*, Jack Ma is "a larger-than-life figure who has been likened to the godfather of Chinese entrepreneurship and has attracted the loyalty of employees and customers alike with a showmanship that exudes elegance." On numerous occasions, he has expressed his inspiring view of the future and of the motivation that he believes must accompany and drive all technological progress:

"Just as the internet is revolutionizing retail, we at Alibaba believe it will eventually do the same to fundamentally information-driven industries such as finance, education and healthcare. Once this change happens – once we are all connected – I believe the spirit of equality and transparency at the heart of the internet will make it possible for Chinese society to leapfrog in its development of a stronger institutional and social infrastructure. Our water has become undrinkable, our food inedible, our milk poisonous and worst of all the air in our cities is so polluted that we often cannot see the sun. Twenty years ago, people in China were focusing on economic survival. Now, people have better living conditions and big dreams for the future. But these dreams will be hollow if we cannot see the sun."

As Alibaba pursues a strategy of aggressive global growth and technological innovation, Jack Ma also reminds his employees that "we have the responsibility to have a good heart, and to do something good. Make sure that everything you do is for the future." He believes that technology "should support human beings. Technology should always do something that enables people, not disables people." And he warns that "Global trade must be simple and modernized; it must be inclusive, so everyone has the same opportunity. The next generation of globalization must be inclusive."

Will Jack Ma achieve his big ambition of making China and the world a better place while expanding Alibaba's global business to $1 trillion in gross merchandise value by 2020, and serving two billion customers by 2036? (As Forbes points out, that would effectively make Alibaba the world's fifth largest economy, with sales eclipsed only by the GDP of the U.S., China, Japan and the EU). Only time will tell. But one thing we know right now is that Alibaba Group is a company we should all be watching very closely and learning from, especially as an outstanding example of how to drive digital innovation and transformation.

With that goal in mind, why not join me in China at our next exclusive 3-day TLN masterclass in association with Alibaba Group, called "Leading Digital Transformation". You'll gain insights into exactly how Alibaba is pushing the frontiers of digital technology across their entire ecosystem, and you'll learn how to apply these lessons in practical ways inside your own organization to drive digital innovation and transformation. Don't miss this unique opportunity to find out how you can radically rethink and reinvent your own products, services, strategies, processes, and business models to compete successfully in an age of digital disruption.

About the Author:

Rowan Gibson is recognized as one of the world's foremost thought leaders on innovation. He is the internationally bestselling author of 3 major books, an award-winning keynote speaker in 60 countries, and a cofounder of Innovation Excellence.

Rowan is also a prolific writer. In addition to his bestselling books, he has authored dozens of business articles, columns and blogs which have been read all around the globe. He has been interviewed frequently on television and radio, as well as online and in the international press. His media appearances include Forbes, CNN, BusinessWeek, Harvard Business Review, and BBC World Service. He has also appeared in several business documentaries.

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Janet Sernack

Taking the path to digital transformation

It is becoming more and more apparent that we are living in a moment of profound possibility and enormous disruption. Where the old business paradigms are dying and innovative new ones are emerging, especially creating new ways of integrating people and technology through taking the path to digital transformation.

What matters most in our *VUCA* landscape and business environment is how we pay attention, adapt and transform whatever roles we play and organizations we are in.

To ensure that we survive, thrive and flourish, in purposeful and meaningful ways, that are valued, appreciated and cherished by the people, organizations, stakeholders and customers we serve and the world we inhabit.

Digitization is a genuine source of competitive advantage

The Boston Consulting Groups' (BCG) Most Innovative Companies Report 2018, states that:

At leading innovators, R&D and new-product development have become digital endeavours. Eleven of the fifty companies named in BCG's 2018 ranking of the most innovative companies – including seven of the top ten — are digital natives and thus digital innovators by definition.

Digitization is a pervasive trend across all industries

Atlassian co-founder Mike Cannon-Brookes is worried Australian businesses aren't accepting they will soon almost universally be technology companies.

He states that the biggest mistake governments and businesses are making right now is thinking automation and technology are problems only the technology industry has to face, because we all have to face it!

"As every company becomes a software company, technology became a true source of advantage a genuine source of competitive advantage. It doesn't matter if you're a media company or a bank or an insurance company or a doctor, some form of technology's going to be there."

The shift to digitization is difficult

The Boston Consulting Groups' Most Innovative Companies Report 2018, suggests that we ask ourselves three key questions and they all relate to taking a strategic, systemic and human centred approach to innovation:

1. ***Strategy.*** *How do we apply technologies that expand the horizons of the possible in terms of new products, services, and business models?*
2. ***Operations and Processes.*** *How do we apply digital technologies to drive innovation, leveraging new tools, platforms, and processes (such as agile) in order to turn insights into new products and services?*
3. ***Organization****. How do we transform ourselves into digitally capable organizations and cultures that can bring digital innovations to market and make them work?*

Initiating the cultural transformation

At ImagineNation™ our research, experience and knowledge reinforce the fact that all digitization efforts, no matter how intentional and well resourced, will fail unless the operating culture transforms to support their successful application.

This is reinforced by Deloitte, in their recent article "Digital workplace and culture – How digital technologies are changing the workforce and how enterprises can adapt and evolve" where they state that there has never been more pressure on companies to develop a positive, productive digital culture:

- 87% of organizations cite culture and engagement as one of their top challenges,
- 50% call the problem "very important."

"It is the job of the organization to create and support a singular vision that everyone is working towards, whether that is in an office or online. No matter where an organization is on the path to digital transformation, executives can take steps to create a supportive, adaptive workplace for

the people who can help their organization grow to the next level".

How to embrace digitization and innovation – how to do it, well, or better

The obvious first and yet uncomfortable step is to expose and challenge current operating beliefs and assumptions, to then shift mindsets and be open and receptive to letting go of what has worked in the past.

To know how to sense, perceive and embrace the enormous possibilities and opportunities digitization might bring to people, customers and organizations into the future.

Understanding the impact of mindsets

Mindsets influence the way people seek to fulfil their purpose & strategic mandate, and capture how we think, feel, decide & how we act as individuals & as whole organizations.

All organizational types demonstrate preferred mindsets which are expressed in behaviours, systems & artefacts, all of which then impact on their ability to grow and transform.

An organization's set of mindsets about innovation and digitization will significantly impact on its ability to embrace and apply them as positive, productive & competitive levers in the face of disruption and VUCA times.

Quantifying and shifting mindsets

The Organizational Growth Indicator® (OGI®) outlines the 4 principal mindsets that are essential for organizations and leaders to embrace in order to grow and sustain future success through disruption.

To understand, manage leverage the impact of these mindsets, it is important to take a strategic, systemic and human centred approach involving:

1. Diagnosing and understanding what mindsets leaders and the organization currently utilize the most.
2. Exploring where they need to shift – what mindsets leaders and organizations need to master if they are to adapt to and innovate with current and emergent changes.
3. "Unlearning" old assumptions, beliefs and attitudes in regards to how business usually operates and functions.
4. Actively rocking the boat and challenging the status quo by learning afresh how to be, think and do things differently to effectively transform and grow through disruption.

Initiating a culture that supports digitization

BCG's data shows that:
"Support for a more radical approach to innovation is getting stronger. Moreover, by wide margins, strong innovators are much more likely to pursue disruptive or radical processes and cultures governing innovation projects. These companies understand that technological advances, like time, wait for no one- and that the need to transform their innovation functions, as well as their broader organizations, for the digital world is urgent".

Taking the first steps, which may be considered as radical, for some leaders and organizations, includes:

- Being flexible and creating a safe environment where people have permission to experiment with creative ideas and make mistakes without retribution so that they are trusted to learn by "failing fast."
- Taking simple steps to make people matter by integrating human aspects into the digital workflow, by teaching people how to better interact, communicate, team and network seamlessly with each other, despite all of the technology available.
- Ensuring that people have room to grow and feel like they are part of the team, by curating and creating digital experiences for people, so that they feel connected and included even if they are spread out across the globe.

As Atlassian co-founder Mike Cannon-Brookes, states:
"Most technology disruptions that come along generally create more jobs than they destroy," "Almost always that they come with a huge amount of benefit for their achievements – the cheaper goods, faster deliveries, safer roads whatever it is."

About the Author:

Janet is the Founder, CEO & Chief Katalyst of ImagineNation™ a generative and provocative global enterprise innovation consulting, education and coaching company that enables people to be, think and act differently. She has 29 years of experience consulting and leading culture development, change management, leadership and innovation education programs to some of Australasia's and Israel's top 100 companies in the retail, service, IT, telecommunications, financial services, building and manufacturing sectors.

Prior to launching her consulting, training and coaching career she was Marketing Development Manager for the 42 Grace Bros' department stores, which are now, part of the Myer Group. She then launched Australia's first design management consultancy and worked with some of the world's leading fashion and lifestyle brands including Oroton, Chanel and Seafolly.

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Dan Blacharski

Online innovation takes over start-up culture

The dotcom boom never really went away. From about the mid-nineties through 2001, the landscape was littered with crazy speculation, business plans scratched out on cocktail napkins, and venture capital being pushed to where it never should have been.

The bursting of the dotcom bubble didn't put an end to dotcoms. It put an end to the speculation, but it didn't put an end to born-in-the-cloud companies, and today they are stronger than ever, and their innovation continues unabated. We are even seeing something of a Renaissance – known to some as the new "dotcloud boom," or the emergence of a new class of born-in-the-cloud companies which tend to use lean and agile methods of development and operations, have low initial capital requirements, and are built to accommodate consumers' growing acceptance and demand for online, automated, and self-service solutions. We speak of the dotcom boom as something in the past – but it made permanent changes to the business and start-up culture, and lasting innovations in how we define business operations and relationships.

In the retail market for example, retail analysts now realize that the online channel needs to be equal to brick-and-mortar, and not an afterthought – a mistake that has led to what some today refer to as the "retail apocalypse." In the start-up world, "born-in-the-cloud" companies dominate the scene, buoyed by the realization that cloud-based services are inherently more secure and preferred by most business and consumer customers – and that a physical location is no longer necessary. Even everyday services, from reading the newspaper to filing your taxes, have gradually taken on an online-first focus.

In the back-end mechanics and operational processes, global supply chains are a reality of even smaller companies, who take advantage of cloud-based supply chain tools in a model that transforms the traditional insular focus of business, with each company acting only in its own best interests, to something new. That is a direct outgrowth of the dotcom revolution of the nineties. Rather than seeing individual companies today, we see ecosystems of interrelated companies on a global scale.

Indeed, a large, multi-million dollar global company may well be run out of a tiny office with three or four full-time staff, a larger group of gig economy providers, and a supply chain that includes providers throughout Europe and Asia.

Driving these innovations – and perhaps the next wave of dotcloud innovation – is simply consumers and businesses accepting the reality that it's no longer necessary to fly across country to meet with clients and suppliers, sit at a desk in an office, or even to have an office at all. And, it allows those companies to source the best provider for each situation, regardless of physical location.

Two noteworthy examples are the travel industry and tax filing. Both have undergone significant changes in business model and go-to-market strategies and illustrate some of the most dramatic shifts towards online innovation. The travel industry was once dominated by individual travel agents sitting in offices in strip malls across the country.

Consumers wanting to take a trip went to an office with travel posters on the wall, picked up colour brochures, and relied on a skilled individual with exclusive access to a mysterious database which allowed those agents to access the best rates. Today, that is all but obsolete, and online, self-service booking portals make that exclusive information available to everyone. Some booking portals like HotelsCombined take it a step further, acting as a "portal of portals" which compares the rates of multiple travel websites.

Similarly, tax filing was, at one time, the stuff of nightmares, late nights with adding machines, or at best, bringing a shoebox full of receipts to a tax preparer. Those preparers still exist, but like travel agents, are rapidly becoming obsolete, as online portals like e-file.com offer an easier interface and the same sort of question-and-answer interview that used to be conducted by an overworked staffer over a desk.

The perceived bursting of the dotcom bubble, besides being driven by unrealistic speculation, was also the result of two realities of the time, which have since been corrected: The technology and infrastructure was, during the nineties, not yet mature enough to match the ambitions of dotcom entrepreneurs; and the public's perception of online companies as being inflexible caused them to seek out and prefer in-person options.

On the latter point, that perception has been completely turned around, with a younger demographic who is more accustomed to buying, selling, and virtually living in their smartphones, and now often prefers automated, self-service, and online-based services.

For years, retail was stagnant. Online shopping first made a foray into the consumer realm in the nineties, but didn't quite catch on due to inflexible interfaces, slow connection speeds and resistance to change. It took a generation for it to happen, but now the retail stagnation is becoming all too real as some of the biggest retailers in the world, who refused to change with the times, are failing. K-Mart and Sears will become extinct, and Amazon, along with thousands of other smaller online retailers, will take their place.

The greatest benefit to this phenomenon is that we are likely to see at least a minor "boom" in startups the coming few years, regardless of (or, in spite of) macroeconomic realities. A startup that in the nineties would have required ten million dollars to launch, can today get off the ground with a few thousand dollars, some gig workers, and a handful of cloud-based services.

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About the Author

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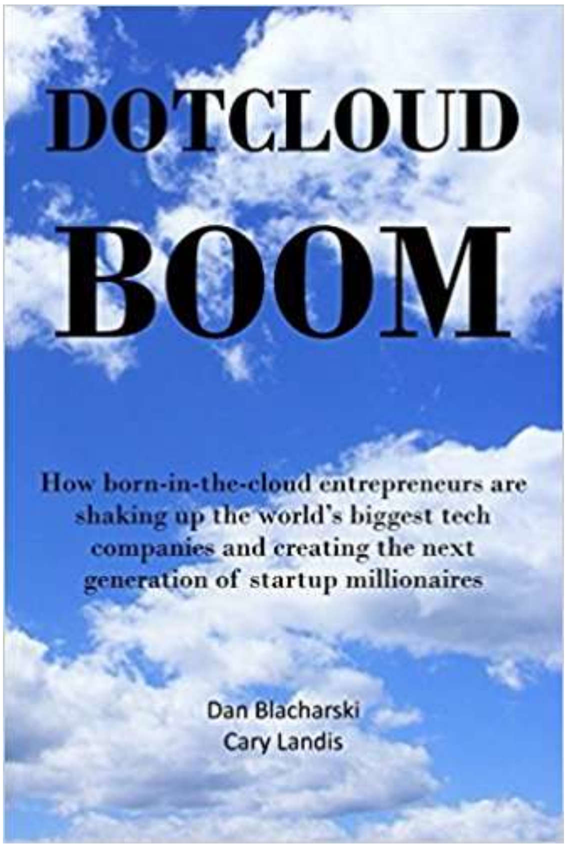

Grant Leboff

Competition ain't what it used to be

You may not have thought that Harley Davidson's main competitor was a living room extension, but it is. In this article, Grant Leboff explains that today, companies that you should class as competitors isn't as obvious as it appears.

You may not have thought that Harley Davidson's main competitor was a living room extension, but it is.

Let me explain. People often think of a competitor as someone in the same category as them. For example an accountant competing with another accountant or a recruitment company competing with another recruitment company but actually, a competitor is anybody that is going after the same spending dollars as yourself.

In Harley Davidson's case, when people are thinking about purchasing the bike, they often choose between that or the holiday of a lifetime or an extension to their living room by means of a conservatory.

Let me give you another example; for a special birthday someone might choose between having an expensive watch or a lovely camera. Suddenly Nikon and Omega find themselves competing, even though they do completely separate things.

So when considering your competition, you need to think about the spend that your customers will make and what else they will consider when they're choosing you as a possible provider.

Today, competition has got even more complex because even when you are competing with people in the same category as you, the business model can look very, very different. For example, in the old days, Hilton hotels would be competing with businesses that look very much like them, for example, Holiday Inn or Marriott, but today they're competing with Airbnb - a business that has a completely different model for themselves. Similarly, television companies are now competing with people like Amazon Prime and Netflix for the same viewers, but against very, very different business models.

But don't be too quick to just dismiss competitors. What we sometimes tend to do is think of the competition as people we can never address and work with, but in today's world of niche, often we can work with competitors. For example, the New York Times has a competitor in Facebook and yet it uses that platform to distribute its content. We know that Apple and Google are competitors, and yet when you look at your iPhone, the default search engine is Google. And speaking of Apple, they worked with another one of their competitors, Samsung, in manufacturing components for their media devices.

So, when planning your marketing strategy and assessing the competition, think about the business models and how those compete against yours. Think about the wider horizon and who else is competing for the spend that you want who are not necessarily direct competitors. And also think about how you can work with some of your competition to, perhaps, improve your own offering and gain attention of your audience.

And now I'm going to go and fulfil all my dreams and fantasies by picking out the conservatory of a lifetime.

About the Author

Grant Leboff is one of the UK's leading Sales and Marketing experts. His fourth book, 'Digital Selling', debuted at #1 on the Amazon charts.

This follows the success of Leboff's previous titles. 'Stickier Marketing' (2014) went straight to #1 in the Amazon Sales & Marketing Chart, and was in the top 10 overall Business Chart, on publication. 'Sales Therapy' (2007) and 'Sticky Marketing' (2011) were both in Amazon's top 10 Business Books, and #1 in the Sales & Marketing bestsellers chart.

Sticky Marketing Club® Ltd., is a sales and marketing consultancy providing companies with the strategies to thrive in an increasingly competitive world. Leboff's Sales and Marketing portal, stickymarketing.com produces a wealth of resources and information on effective Sales and Marketing for organisations in an ever-changing business environment. He is a highly sought-after consultant and speaker, and constantly makes presentations at conferences and events all over the world.

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Drayton Bird

Use questionnaires

A friend in Australia, Gail Brennan, recently sent me a question about questionnaire responses.

Nobody knows more about this than my old colleague Andrew Boddington, who is one of the best direct marketers I know, so after giving my opinion, I referred her to him.

Then it suddenly occurred to me that this is a subject well worth talking about, and nobody knows more about it than Andrew.
I have worked with him for many years now off and on. His speciality, I guess, is database. But his knowledge of marketing is much wider - and he makes everything seem so simple.
So, after one or two comments from me, he has kindly written a quick guide to what you should know about the subject.

Why questionnaires?

Some techniques - and questionnaires are a good example - are so deceptively simple and obvious that people ignore them. They're not "creative" enough.

Well, screw "creative". I like things that work. And questionnaires work.

People love to give you their opinions. The questionnaire is a very unthreatening way to approach people.

You just have to ask nicely and often amazingly high percentages will reply.

When they do reply, this gives you an excuse to talk to them again
So here is Andrew's advice for you:
- People agonise over making the survey short for maximum response, but do not fear a long survey. As long as the questions seem 'natural and logical' to the reader, they will complete it, once the first few questions have been answered.
- If you have some questions which are more critical than others, make sure the survey has clear sections - the first with the main questions, then the next introduced with the words "You do not have to answer these, but if you do so, it'll mean x, y and z benefit...and will only take a few minutes more..."
- Response can be increased by a variety of details. A lot depends on the honesty in the introduction, why you are doing the survey, what is in it for the responder (altruism, sense of helping self or fellows, and maybe even the chance to win something in a free draw, as a gesture of thanks), explaining how the results will be used, and even how they can see a copy of the results (usually a simple summary).
- People love being asked for their opinion ('your opinion matters to us'), so use flattery to increase participation.
- Make the introduction from someone they already might know and respect, rather than have no name at all. Even have it look like a letter, with a signature and photo for a touch of warmth.
- Much depends on the layout, the clarity of type face and typography, and the use of colours, tints and boxed sections make it look less daunting.
- It sounds radical, but question how much response is really needed. Statistically a lower response sample may be fine, so that the views are representative.
- Try a reminder mailing/emailing after the natural response has dried up from the first survey. Non-responders are not against responding, they just have busy lives, are lazy, like all human beings, so a courteous reminder will typically get half as much response again.
- Consider how/when the survey gets handed over, emailed or mailed. Is there a better moment, so they'll be more disposed to take part?

Best,
Drayton

About the Author

In 2003, the Chartered Institute of Marketing named Drayton Bird one of 50 living individuals who have shaped today's marketing. He has spoken in 53 countries for many organisations, and much of what he discusses derive from his work with many of the world's greatest brands. These include American Express, Audi, Bentley, British Airways, Cisco, Deutsche Post, Ford, IBM, McKinsey, Mercedes, Microsoft, Nestle, Philips, Procter & Gamble, Toyota, Unilever, Visa and Volkswagen. In various capacities – mostly as a writer – Drayton has helped sell everything from Airbus planes to Peppa Pig. His book, *Commonsense Direct and Digital Marketing*, out in 17 languages, has been the UK's best seller on the subject every year since 1982.

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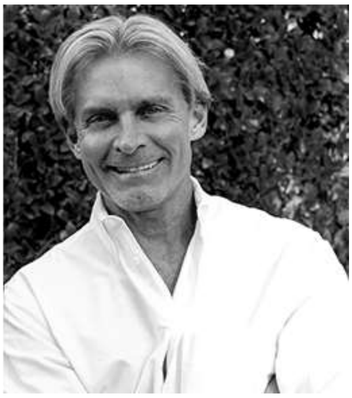

Matthew E May

The Real Starting Point for Strategy

"If I had the key members of your executive suite all in the same room, would they all be able to articulate the essence of your current strategy clearly and consistently?" I asked the executive vice president of strategy.

"Probably not," she replied. "But I do know we need a new one, because the current one isn't working."

I hear this quite a lot. The reason I ask the question is simple: the starting point for strategy is defining the problem with the current strategy, and you can't do that without being completely clear on the current strategy.

In my previous post, I made a case for not starting strategy development with S.W.O.T. (Strengths, Weaknesses, Opportunities, Threats), and promised a better starting point. This is it. There are actually a few steps to take before you ever craft a new strategy.

Get clear on the current strategy.

You know you're clear on strategy when you can answer the five key questions in the *Playing-to-Win* cascade with an as-is perspective:
What is our current winning aspiration?

You have clarity and consensus on what it means to win with customers, and against competitors.

Where do we currently play?

You have clarity and consensus on: who your key customers are; the channels through which you serve those customers; our most winning products or services; all the geographic regions in which you offer those products/services; the stages of production or phases of the overall value stream in which you compete; and where along the value stream do you participate, relative to competitors.

How do we win?

You have clarity and consensus on: your unique competitive advantage; why exactly customers choose you over the competition; whether your basic competitive advantage low cost or differentiation (it cannot be both); and how your competitive advantage is linked to where you play.

What critical capabilities do we need?

You understand clearly which key activities and skills must be performed at the highest level to produce your competitive advantage, as well as which capabilities are most relevant to customers.

What management systems must we have?

You understand clearly the systems, processes, standards and metrics that give rise to and support your critical capabilities.

Once you're clear on your current strategy, then (and only then) you can talk about the most troubling areas of that strategy and begin to contemplate a new one.

Identify the strategic issue.

The second step is settling on the most pressing and troublesome strategic problem you're facing. Has your leadership position slipped? Is market share shrinking? Have competitors surpassed you with better products or services? Is growth not happening as fast as you'd like? Are your capabilities becoming irrelevant with end users?

If you're like most of us, our current strategy is rather target-rich…meaning you have more than one pressing issue. Pick the one that's keeping most everyone up at night. That's your bogey.

3. Reframe the issue.

Here's where *Playing-to-Win* strategic choicemaking departs from traditional problem solving. You'll be tempted to begin analyzing the problem. You'll be tempted to slide back into the familiar S.W.O.T.

Don't.

Instead, reframe the problem as at least two opposing (and thus mutually exclusive) models or high-level approaches to the problem. Imagine a future in which the strategic issue doesn't exist. In a couple of words, what did you do?

For example, if your problem is inferior capabilities versus your competitors, the choices could be between building new capability and outsourcing. (At the most generic level, the choice is always going to be between more of something and less of something.)

Here are some examples:

- Go broad vs. go narrow
- Move up market vs. move down market
- Build vs. buy
- Generalize vs. specialize
- Centralize vs. decentralize
- Grow revenue vs. boost profit
- Agility vs. Stability
- Customize vs. Standardize

What you're trying to do with this "framestorming" step is to lay the groundwork for some nonlinear, creative thinking. One of the key precepts in the Playing-to-Win framework is that strategy is a blend of creative and critical thinking modes. The constraint imposed by considering two opposing pathways produces a creative tension that demands resolution, and forces you to expand your thinking.

Brainstorm possibilities; cluster and cull

You're still not ready to dive into the new strategy work just yet, basically because you have nothing to dive in to. What you want to dive into is possible *where to play/how to win* combinations that you riff off of each pathway of your reframing work. In other words, you're looking for a good double fistful of "how-to's" for the two opposing choices…possible ways to solve the problem within the framework of one of the opposing options.

This is where a solid 30 minutes or so of brainstorming will work wonders. When I work with groups, I like to split that 30 into 15 minutes of individual brainstorming and 15 minutes of group brainstorming. The first 15 makes the second 15 very productive.

The approach to brainstorming possibilities I like best is to think of a happy story about a potential future that lays out where your company plays and how it will win there. Start by thinking up different ways to either broaden or narrow where you play. Think through the various spaces in the categories of customer segments, channels, product/service offerings, geography, stage of production, etc.

Then you can think about various ways of winning. One creative device might be to play the "what would X do?" with respect to what Michael Porter in his seminal book *Competitive Strategy* identified as the only two broad categories of competitive advantage: low cost or differentiation. So, "what would Amazon do?" (low cost) or "What would Apple do?" (differentiation) in these spaces.

Note: you're still not into drafting a strategic choice cascade yet! You're just brainstorming. And as with any brainstorm, you've got to synthesize your ideas into something both meaningful and relevant to the problem. The best way to do that is to simply cluster the *where to play/how to win* possibilities by general theme. You might have three basic themes: broaden, maintain, narrow. (Note: Obviously, you haven't scrapped your current strategy, and it remains the only viable strategy at the moment.)

The last thing you want to do is to cull those thematic possibilities into the few that you will then draft a full strategic cascade for. I recommend three to five possibilities, including the current strategy.

Let's see how this 4-step start plays out with a hypothetical example.

EXAMPLE: STAR FITNESS TRAINING

Joe and Mary Buff, former Crossfit winners, offer in-home personal training services to an upscale clientele in the Hollywood, California area. Their clientele, which includes some celebrities, pay a premium over even the highest-priced health clubs for their personal attention. They are very successful with this strategy but have reached the limits of scale in their business and cannot take on new clients. They view it as a good problem to have, but a problem nonetheless.

They define the problem in three words: ceiling on growth. They reframe their problem as two opposing pathways:

expand into new client segments vs. offer new products to existing clientele

These are two completely different and opposing choices. The Buffs would not, should not, could not pursue both simultaneously, so they are mutually exclusive. Each has a number of possibilities:

- expand to cover all of Southern California by franchising Star Fitness Training
- extend into high-end health clubs
- expand through boutique storefront studios
- expand to downscale clientele with trainer certification model
- offer a mobile fitness app
- offer cloud-based fitness and training platform
- offer private-label nutritional products
- offer private-label exercise equipment

Clustering these possibilities might look something like: "grow geographic area," "diversify clientele," and "fitness products":

A. Grow geographic area:

- expand to cover all of Southern California by franchising Star Fitness Training
- extend into high-end health clubs
- expand through boutique storefront studios

B. Diversify clientele:

- expand to downscale clientele with trainer certification model

C. Fitness products:

- offer online training programs
- offer a mobile fitness app
- offer cloud-based fitness and training platform
- offer private-label nutritional products
- offer private-label exercise equipment

They select three possibilities they believe are worth exploring and scrap the rest: (1) expand to all of Southern California through franchising, (2) expand into less affluent client segment by hiring, training, and certifying new training associates, and (3) offering a cloud-based fitness and training platform.

They pull out three wall size versions of the ***Playing-to-Win* Strategy Canvas**, and develop each possibility into a full cascade of choices. They then reverse engineer each set of choices — which are in reality simply a set of hypotheses about the future — to determine the critical risks, by asking "what must be true for this strategy to succeed?"

Finally, they pick the strategy that the group believes is most compelling and construct a strategic test to learn whether what they believe must be true is actually true.

And that is how the best strategists start strategy.

Conclusion

Note the difference between this approach and S.W.O.T. Also note that the starting point for strategy is definitely not, and should never be, tied to the calendar, unless for some uncanny reason your strategic issues magically appear at the beginning of the year. In over 20 years of doing this, I've never seen that happen once. Nor do I know of anyone who has.

About the Author

Matthew E. May. is an independent strategy and innovation advisor. He works closely with senior managers and their teams to help them define innovative new strategies and build competitive capability.

In 2016, he published his fifth book, *Winning the Brain Game: Fixing the 7 Fatal Flaws of Thinking*, encapsulating over a decade of helping teams develop elegant solutions to difficult problems. He has written for *The New York Times, Harvard Business Review, Strategy+Business, Rotman Magazine, Fast Company, 99U,* and *INC.*

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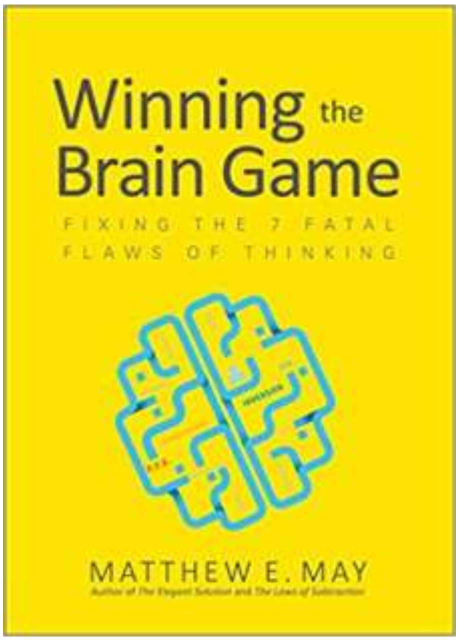

Andy Bounds

Turn them on, before you turn them off

Previously, I gave you a simple way to instantly impress people when you're speaking to them (the First Serve).

But what about when you are *writing*? How can you grab them *in seconds*?

This is clearly critical. If you spend ages producing a 20-page document – but the reader's first impression is that it doesn't look relevant or interesting – well, they might not read it at all. Or with the diligence and respect you deserve. That's a pretty depressing thought.

So, how do you create a great first impression? Well, you've read enough documents, so will know the answer to this one! These are the first things that readers see:

1. **Length**. Nobody wants to read a long document, when a short one will do
2. **Title**. The title *must* be interesting. "Update" isn't. Nor is "FYI". But "Three new ways to impress our boss" is
3. **Interesting Contents Page**. Just as you want a good title on the front, you want every section to have interesting titles too. After all, if they're boring, people won't read the section at all
4. **Short paragraphs**. Everyone prefers short paragraphs to long. So, press the "return" key more
5. **White space**. Everyone prefers white space to clutter. So, press the "return" key more
6. **Portrait**. People find it easier to read narrow columns than wide ones. That's why newspapers are set-out the way they are. So, portrait (narrow) is easier to read than landscape (wide). So, make your documents portrait
7. **Visuals**. People like good visuals. Their eyes are drawn to them. So, whenever it's appropriate, include some. They must be good quality

You know all this.

It's what you're thinking every time you read someone else's document.

But do you always do them when you're *writing* your own?

Action Point

Review a recent/imminent document for these seven points. It'll take you a few seconds – the same length of time it took your readers to get their First Impression of what you'd written. Anything that could be improved? Improve it. Again, it'll take a few seconds only…

About the Author

Andy Bounds is an expert at helping companies communicate and sell better. Author of two best-selling books and winner of the title Britain's Sales Trainer of the Year, Andy has shared his expertise with some of the world's largest companies, helping every one of them have more success. Marketing legend Drayton Bird said Andy had taught him '… more about effective communicating than a lady who'd taught two American Presidents'.

Are you following me on twitter?

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Short of time? Here are my Quick Wins

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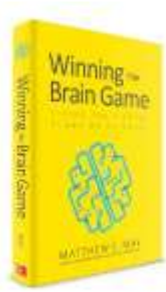
Braden Kelley

How to be more innovative by winning the brain game

5 Questions with Matthew E. May

Brainstorming. Problem Solving. Creative Thinking. These are all characteristics shared by the successful business professionals. However, you would be surprised to know that even the most successful businesspeople hold themselves back creatively because of ingrained patterns and "fatal flaws" in the way that we approach thinking.



So how do you retrain your brain to be even more creative and create better, more elegant solutions to problems?

Enter Matthew E. May, author of ***Winning the Brain Game; Fixing the 7 Fatal Flaws of Thinking***. Innovation Excellence sat down with Matt to get some insight that might help professionals everywhere to be able to get out of their own brain's way.

1. What exactly does "Winning the Brain Game" mean? What does winning look like?

I define the "brain game" as the struggle between the biological brain and the conscious mind. Neuroscience has for decades confirmed a distinction. Likened to a computer, the brain is the passive hardware constantly storing experience, while the mind is the active software, directing our attention and thought. But the mind is not just any software—it's intelligent software capable of rewiring the hardware, which, if left unchecked, reverts to stored patterns that can prevent us from solving tough and unfamiliar problems creatively, resourcefully, and elegantly.

Those stored patterns manifest themselves as observable human behaviour, and there are seven of them that I have catalogued over the years of watching folks wrestle with the thought challenges. What is amazing is how consistently they fall victim to the same thinking traps and exhibit these seven behaviours:

1. **Leaping:** brainstorming solutions before they understand the problem.
2. **Fixation:** getting stuck in mental ruts that prevent them from thinking differently.
3. **Overthinking:** complicating matters and creating problems that weren't even there.
4. **Satisficing:** glomming on to easy, obvious, mediocre and thus inferior solutions.
5. **Downgrading:** formally revising the goal simply to declare victory.
6. **Not Invented Here (NIH):** automatically dismissing the ideas of others.
7. **Self-Censoring:** mindlessly rejecting their own ideas so others won't.

The scientific community has a host of labels for these behaviours. Let me simplify things: they are fatal thinking flaws. Fatal in the sense that they prevent people from seeing the best of all possible outcomes: an elegant solution, which I define as one that achieves the maximum effect with the minimum means.

The good news is that there are seven time-tested "fixes" that neutralize, if not defeat entirely, those fatal flaws:

1. **Framestorming:** instead of brainstorming solutions, brainstorm framing questions that produce better solutions.
2. **Inversion:** completely reversing the status quo to take our thinking off-road and escape the gravitational pull of experience.
3. **Prototesting:** running simple, fast, frugal tests of prototype concepts and mock-up solutions that are roughly right.
4. **Synthesizing:** merging the best parts of two opposing but satisficing solutions in a mashup that solves the problem elegantly.
5. **Jumpstarting:** effectively rebooting and redoubling our focus on both your will and your way in order to push past the stall point.
6. **Proudly Found Elsewhere (PFE):** coined by Procter & Gamble, PFE is an open embrace of others' innovative thinking.
7. **Self-Distancing:** attuning our attention in a mindful way that produces an unbiased perspective.

These seven fixes represent a super-curated set of tools and techniques that I as well as others have developed, and which through my work I have found to be among the most effective and practical ways to not only neutralize the fatal flaws of thinking, but also forge new neural connections in the brain.

And that is what winning looks like to me!

2. Why are we so good at misleading ourselves?

Our brain is great at misleading us because it is an amazing pattern machine: making, recognizing, and acting on patterns developed from our experiences and grooved over time. Following those grooves makes us ever so efficient as we go about our day. The challenge is this: if left to its own devices, the brain locks in on patterns, and it's difficult to escape the gravitational pull of embedded memory in order to see things in an altogether new light. In other words, those deep grooves make it tough to go off road and, as the Apple tagline goes, think different.

Too, thinking different is taxing on our power supply, so the less thinking anew and more autopiloting our brain can do, the better. But a given pattern is really only effective in the right context; otherwise, we get misled in the name of conserving energy. That happens in the two most predominant thinking flaws: Leaping and Fixation.

Take Leaping and Fixation, for example. Immediately and instinctively leaping to solutions in a sort of mental knee jerk almost never leads to an elegant solution to an unfamiliar, complex problem, because not enough time is devoted to framing the issue properly. Fixation is an umbrella term for our general mental rigidity and linear thinking—our go-to mindsets, blind spots, paradigms, schemas, biases, mental maps, and models—that make it easier for us to make it through the day, but harder for us to flex and shift our perception. The term itself comes from what psychologists call "functional fixedness."

Fixation and Leaping are interconnected . . . two sides of the same coin. If you spend a bit more time framing a tough problem properly, you can often avoid getting mentally stuck in gear.

3. Why do we as humans tend to accept the mediocre rather than fighting to find the elegant solution?

In Western societies, people favour action and implementation over nearly all else, and certainly over incubation. By nature we satisfice, a term combining satisfy and suffice, and coined by Nobel laureate Herbert Simon in his 1957 book Models of Man. We glom (seize) on to what's easy and obvious and stop looking for the best or optimal solution, the one that resolves the problem within the given goals and constraints. We over-compromise and suboptimize, accepting the halfway solution and relying on our ability to push it forward. Unfortunately, when it comes to complex problems, that usually amounts to a rather Herculean but useless effort akin to pushing water uphill. We fool ourselves into thinking "good enough is," thereby creating something that demands massive work in order to succeed. By thinking less, we end up working more.

A close cousin of Satisficing is what I call Downgrading. It's basically Satisfying with a twist: a formal downward or backward revision of the goal or situation, often resulting in wholesale disengagement from the challenge. It comes in a few basic flavours. First, there's the twisting and sifting of facts to suit our solution, arrived at by Leaping or Fixation. Second, there is the "revised estimate." The result is the same: we fall short of the optimal or ideal solution, pick one that gets us most of the way there, then sell the upside and downplay the downside. Basically, we commit what amounts to pre-emptive surrender, which in a perverse way enables us to do what we really want to do, which is to declare victory. We do it all the time, because no one wants to feel like they didn't succeed. It's not very resourceful, creative, or heroic.

But here's the thing: you can't win a football game by aiming for the 97-yard line. You can't score a run in baseball by only making it to third base. You can't reach Mars by shooting for the moon. You can't . . . well, you get the drift.

Studies of brainstorming sessions reveal that unfocused idea generation generally stalls after about 20 minutes. At that point most groups stop and turn their attention to evaluating their ideas. However, the research shows that teams with the best ideas don't stop there. Rather, they embrace the psychological barrier and push through the stall zone, somehow resetting their minds to opening up new channels of widely divergent thinking.

What are some ways that people's pursuit of innovation are frankly, mindless?

Two ways, really…the sixth and seventh flaws I mentioned earlier: Not Invented Here syndrome, or NIH, and Self-Censoring.

Not Invented Here syndrome is a well-documented concept in management literature — I found over 600 journal articles referring to it — defined as an automatic negative perception of, and visceral aversion to, concepts and solutions developed somewhere else, somewhere external to the individual or team, often resulting in an unnecessary reinvention of the wheel. It means, "If I/we didn't come up with it, I/we won't consider it," and "I/we can do anything you/they can do, better."

Here's the thing: we don't trust other people's ideas and solutions. We don't share others' bias for optimism, and we tend to view others' ideas with utter scepticism. While there may be a basis in neuroscience related to triggering our threat response, our expression of it is always the same: shutting out another person's or group's idea immediately and without due consideration merely because they came up with it. The next time you're in the lobby waiting for the elevator to go up to your office or hotel room, count how many people hit the "up" button even though they can see that you've already pushed it. That's NIH.

Then there's Self-Censoring. When we reject, deny, stifle, squelch, strike, silence, and otherwise put ideas of our own to death, sometimes even before they're born, it is an act of Self-Censoring. I believe Self-Censoring is the deadliest of the fatal flaws, because in my admittedly subjective opinion, any voluntary shutdown of the imagination is an act of mindlessness, the long-term effects of which eventually kill off our natural curiosity and creativity. It's like mental masochism: we field or create a great idea, we recognize it as such, but deny or kill it anyway. I often think of it as "ideacide." Whether it's because we're too critical or because we recoil at the impending pain of change and disruption of normalcy, Self-Censoring arises out of fear. That fear shrinks us, mentally. We lose our childlike, uncensored urge to play, explore, and experiment. We render ourselves truly mindless. When that happens, we are vulnerable to our other thinking flaws, such as Fixation and Overthinking, which become both judge and jury. Then we slap ourselves on the forehead when someone else "steals" our great idea.

4. Should innovation influence strategy or should the strategy direct the innovation efforts of a company?

Yes. I don't mean to be glib, but the two concepts are inexorably linked. And, both concepts are subject to context. Let me take a step back and first offer my definitions for both.

When it comes to strategy, I subscribe to the approach devised and taught to me by my esteemed colleague and mentor Roger Martin, #1 on the Thinkers50 list, co-author of bestselling book *Playing to Win*, and one of the foremost business strategists on the planet: "Strategy is an integrated cascade of choices that uniquely positions a player in its market to create sustainable advantage and superior value relative to the competition."

The cascade he is referring to consists of five tightly integrated questions:

1. What is our winning aspiration?
2. Where will we play?
3. How will we win?
4. What capabilities do we need?
5. What management systems are required?

Now, the definition of innovation I prefer is rather simple: Innovation is the implementation of creative concepts that are both novel and useful.

Where strategy meets innovation is at the question, "How will we win?" Because the only way to win in today's world is to offer a better value equation than existing alternatives. And to consistently win, you need a sound strategy.

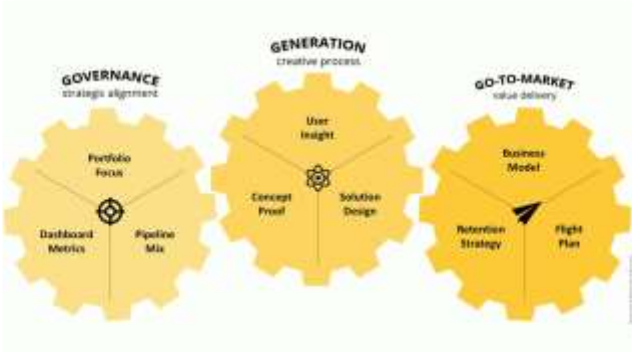
5. What's next for you? What project is on the back burner for you waiting for a chance to boil?

I always have a couple projects waiting in the wings. Recently I have launched two of them, as they are related. One is called **The Idea Score™** which is an innovation index that serves as a FICO-like "credit rating" for projects in a company's innovation portfolio, enabling managers to evaluate and compare innovative concepts, as well as prioritize and allocate investment resources. Like a credit score, it acts as a "meta metric" by being a single predictive indicator of the project's eventual impact or success, based on three primary factors: Fit, Ingenuity, and Scale. And, like credit scoring, the Idea Score is based on an innovation index with 850 as the highest score. I've been working on it for 5 years, using the talents of a data scientist. We have a proprietary algorithm that produces the score.

IDEA SCORE™ SCALE

SCORE	RATING
750 & Above	Excellent Idea
700 – 749	Good Idea
650 – 699	OK Idea
550 – 649	Weak Idea
550 & Below	Bad Idea

The other is a **Strategic Innovation System**, again the culmination of a decade of working with innovation efforts. The Strategic Innovation System (S.I.S.) is a total innovation management framework designed to repeatedly and consistently guide creative concepts from inception to launch. It features a proven process and powerful toolkit that enables any business to realize sustainable success from innovation initiatives and investments. Installed as a holistic operating system, the S.I.S. builds creative capability and confidence, which in turn provides a strong foundation for a companywide culture of innovation. The model can be visualized as three tightly integrated, constantly turning gears, the "3Gs": Governance, Generation, and Go-to-Market.



And that's it…should keep me busy and out of trouble!

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About the Author

Braden Kelley is an experienced innovation speaker, trainer, and digital transformation specialist. He is the author of Charting Change and of Stoking Your Innovation Bonfire, the creator of the Change Planning Toolkit™ and an InnovationExcellence.com co-Founder. Braden has been advising companies on how to increase their revenue and cut their costs since 1996. He writes and speaks frequently on the topics of continuous innovation, digital transformation, and organizational change. He has maximized profits for companies while living and working in England, Germany, and the United States. Braden earned his MBA from top-rated London Business School.

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Paul Sloane

How disappointment can lead on to success

In 1952, Roger Bannister, a 23-year old medical student, was recognised as the best middle-distance runner in Great Britain and as a very good prospect for the gold medal in 1500m at the Olympic Games which were to be held in Helsinki, Finland.

He had gained a degree in Physiology from Oxford University where he had been president of the university athletic club. He was now studying to become a doctor at St Mary's hospital in London. His heavy schedule of medical studies had left him with little time for training. He relied on his natural strength and strong final lap sprint to carry him through. However, the organisers arranged for the heats, semi-final and final to be run on consecutive days. Bannister was exhausted and came a disappointing fourth in the final.

Roger Bannister in 1949

Had he won the gold medal it is likely that he would have retired from running to concentrate on his medical career. He later became a distinguished neurosurgeon.

The disappointment of missing out on the Olympic title spurred Bannister to take on the greatest athletic challenge of his time – the attempt to break four minutes for the mile. The world record of 4min 1.4sec had been set in 1945 by the Swede Gunder Hägg. Many fine athletes had attempted the feat but no-one had come close to breaking Hägg's record or the 4-minute mark which had become an iconic challenge. Bannister had broken the British record with a run of 4 min 3.6 sec and was now keen to take on the test. He was well aware that his great rival the Australian, John Landy, had recently run 4 min 2 sec in two races. He intensified his training.

He made his attempt at an athletics meeting in Oxford on 6 May 1954. It was a cold and windy day. He was assisted by two expert pacemakers, Chris Chataway, who later that year set the 5000m world record, and Chris Brasher, who won an Olympic gold medal in the steeplechase in 1956 in Melbourne. They established a steady pace over the first three-quarters of the race leaving Bannister to use his strong finish in the final quarter mile. His time was a new world record of 3 min 59.4 sec, the first time anyone had run under 4 minutes. His achievement was greeted with euphoria in Britain.

Hägg's record had stood for nearly nine years. Bannister's stood for just 46 days. Landy ran 3 min 58 sec in a race in Finland.

The two great rivals met in the Commonwealth Games in Vancouver in August that year in what was billed as the "Mile of the Century". There was tremendous anticipation over this encounter and it did not disappoint. Landy set off quickly trying to diminish the effect of Bannister's strong sprint finish. The Australian led for three laps but Bannister overtook him in the final straight to win. Both men ran under 4 minutes.

Bannister's final competitive race was later in August at the European Games in Berne. He won the 1500m in a championship record time. Then, at the peak of his powers he retired from racing at the age of 25.

He had a distinguished career in medicine and made major contributions to academic research into the responses of the nervous system. In 1975 he was knighted.

Ten years later he became Master of Pembroke College, Oxford, where he served until his retirement in 1993. He died in March 2018.

Sometimes a failure can be a blessing. If Bannister had won gold at the Helsinki Olympics and then retired he would now be forgotten. The disappointment of losing galvanised him into a greater effort and a place in history.

Some motivational speakers claim that when Roger Bannister broke the psychological barrier of the 4-minute mile in 1954 the floodgates opened and many other runners suddenly became capable of it. The actual number of runners (other than Bannister) who ran under 4 minutes in the year after the breakthrough was one – John Landy. Landy's record of 3 min 58.0 stood for three years before being broken by Derek Ibbotson who ran 3 min 57.2 in 1957. The current world record is 3 min 43.1 sec held by the Moroccan Hicham El Guerrouj.

The Grandstand at the Roger Bannister running track, Oxford, England.

About the Author

Paul was part of the team which launched the IBM PC in the UK in 1981. He became MD of database company Ashton-Tate. In 1993 Paul joined MathSoft, publishers of mathematical software as VP International. He became CEO of Monactive, a British software company which publishes software asset management tools.

In 2002 he founded his own company, Destination Innovation, which helps organisations improve innovation. He writes and speaks on lateral thinking and innovation. His latest book is The Leader's Guide to Lateral Thinking Skills published by Kogan-Page.

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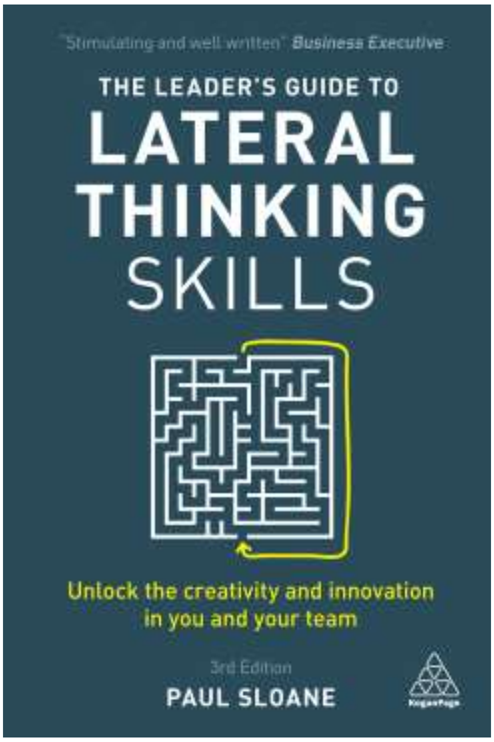

Tom Koulopoulos

The four steps to building a culture of innovation

I've often had CEOs tell me, "I want to build a culture of innovation. Can you come in and put one in place?" I feel like a Navy Seal called in to somehow covertly free the company from the shackles of it's founder. Inevitably that cry for help points to a classic problem that I call "The Founder's Dilemma." Here's how it works.

You're an entrepreneur. Innovation is what you do. It's who you are. It's why your business exists. So, naturally, you end up being the one who comes up with the really good ideas. After all, it is your business. Good luck with that!

An innovation culture may stem from the founder but to scale it has to be sustained by the organization. Yet, often it's the founder's zeal for innovation that acts as its greatest barrier.

Cultures need rituals and a process to reinforce innovation. They need leaders who back off and pass innovation onto others, and then recognize them when they succeed and support them when they fail at something worth trying. Otherwise people and organizations suffer from a fear of failure.

So, here's the reality of being a great innovator; you have to let go of the innovation baton and pass it on to others. It's what the quintessential innovator, Steve Jobs, did with Tony Fadell and the iPod. Who, by the way, also then went on to create the Nest Thermostat, which brought the Internet of Everything into our homes.

Be courageous, challenge people to come up with the next idea- incremental or great, it doesn't matter. What does matter is signalling clearly that innovation can come from anyone!

So how do you do it? Put in place these four cornerstones of your innovation culture and tend to them relentlessly.

1. Get Culturally Creative

Think in terms of what's valuable in your culture. In my second company I had a policy that no office, even my own, would have a door. Why? I wanted to signal that in our culture everyone had the license and the responsibility to work in interrupt mode. The result was that ideas flowed freely, constantly, and unfettered.

2. Set the Tone

You are a role model for innovation but you cannot be its only source. Advertise the success of others and their ideas. Talk about how the seeds of innovation are taking root throughout the company. Be sure to applaud, recognize, and reward innovators, no matter how small their innovations. Most importantly, let them fail; innovation is a numbers game.

Establish a Budget and a Process for Nurturing New Ideas.

This isn't R&D. Instead it's for any idea that is worth exploring. It's hedge bet against outside innovation. Every now and then one idea will fly out of the park. It only takes a few of those to illustrate how innovation is part of your culture.

4. Share the Story

Make sure the innovation story is a story about your organization, not a story about YOU and the ONE great idea that launched your business. Instead, make it a story about the culture of innovation and the many people who have sustained it; giving others role models and the license to have something to strive for.

You see, you don't create a culture of innovation overnight; you can't send in Seal Team Six to infiltrate the culture you have and suddenly alter it. You need to slowly put in place these four cornerstones; the behaviours and the processes that make innovation what everyone does, every single day.

About the Author

Tom Koulopoulos is the author of 10 books and founder of the Delphi Group, a 25-year-old Boston-based think tank and a past Inc. 500 company that focuses on innovation and the future of business.

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Yoram Solomon

How to convert time into trust and creativity – the 7-38-55 rule

In the 1970s, Prof. Albert Mehrabian of UCLA found that we deduce our feelings, attitudes, and beliefs about what someone says not only by the words they use, but also by their tone of voice and body language.

To be more specific, he claimed that the intent is conveyed 7% through the Words, 38% through the Tone of voice, and 55% through Facial expression (more so that body language in general). It's easy to remember it through the acronym made of the first three words…

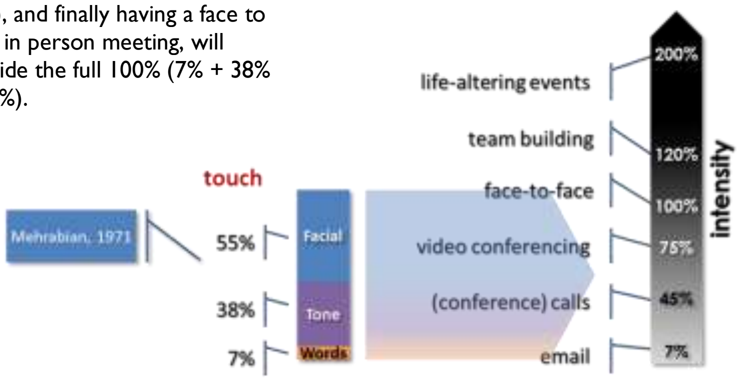
In my own studies, I found that trust-building is based on structural elements (competence, fairness, and shared values), as well as transactional elements. The latter refers to every interaction that two people may have. There are three elements that cause any interaction to build, or destroy, trust. Today, I'll talk about one of them: the intensity of the interaction.

Using Mehrabian's 7-38-55 rule, I suggested that the more of those elements are used, the faster we turn TIME into TRUST (assuming a positive interaction). Communicating over email will be the least effective at 7%. Communicating over the phone will increase it to 45% (7% + 38%), and finally having a face to face, in person meeting, will provide the full 100% (7% + 38% + 55%).

So, what about video conference? After all, you can see the other person's face during that call, can't you? Should it be rated at 100%? I don't think so. First of all, video conferencing technologies (especially from a computer, a phone, or a tablet) doesn't allow the other person to "look you in the eye" which, according to Mehrabian, is an important element. You look at where the image of the other person is on your screen, and not at the camera. Even when you look at the camera–you are not really looking at the other person's eyes. All the small elements such as avoiding eye-contact are lost.

But there is even more. Paul Zak claims that touch (a handshake, a hug) released oxytocin in your brain, that increases the trustworthiness of the other person in your eyes. You cannot do that over the Internet.
As a result, I would not give video conferencing more than 75% effectiveness in building trust.

But wait, there's more…
I believe you can get more than 100% effectiveness in converting an interaction into trust. When you and the other person share a life-altering experience (combat military service, surviving a natural disaster, and the like), you may reach 200% (I have to admit, this is some what an arbitrary number) effectiveness.



I'm not advocating putting yourselves in harm's way just to build trust. I'm only telling you that this kind of experience will build it faster.

But there is actually something you can do. In this age of cost-cutting, one of the first thing that gets cut is the off-site retreat. Considered a 'boondoggle,' companies save there. However, going through a retreat that includes team-building activities, and specifically such activities that are aimed at building trust, may not reach the 200% effectiveness, but will certainly reach more than the 100% of a face-to-face meeting. Maybe 120%? 150%? Definitely more than 100%.

About the Author

Yoram can often be found speaking in different venues, from University Graduate business schools to Rotary Clubs, the Association for Strategic Planning National Conference, DEMO, and many more. He is an engaging speaker who was said to make people think afterwards. He is a professional member of the National Speakers Association.

Dr. Solomon published 7 books: "Un-Kill Creativity", "Blueprints for the Next Big Thing", "Bowling with a Crystal Ball (two editions)," "Business Plan through Investors' Eyes", "From Startup to Maturity," and "Worst Diet Ever." He authored numerous articles, many of them published at Inc. Magazine, Innovation Excellence, and his blog on this website.

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Sunil Bali

A poke in the eye with a sharp stick…..

I that accumulating degrees and certificates was the way to succeed.

A first-generation migrant to the UK, my mother thought that my salary and job security would be directly proportional to the number of letters after my name.

So I got a huge shock when I attended my first lecture at Business School, because the first thing our MBA Professor said to the class was, "If any of you were any good, you wouldn't be here."

He said, "If you know what makes people mad, sad and glad, and can consistently make them glad, then you won't need an MBA."

It was the most valuable thing I learned on my MBA. The rest of the course was about as useful as a poke in the eye with a sharp stick.

In hindsight, I think I learned more at Nursery School than I did at Business School. If you ever watch toddlers at Nursery School, they forgive very quickly, they go where there is excitement, and stay where there is love.

Nursery school kids learn, play and create every day. They look at the world around them with wonder and awe, and realise that whether you're 3 or 53, life is so much better when you hold hands and stick together.

Nursery kids know what we adults forget ….. love will drive you sane.

About the Author

Sunil is a Performance Coach, Speaker and Author.

Ex Head of Talent for Vodafone Group and Santander, and having run a £50m business, Sunil has been responsible for hiring over 50000 people and has had the pleasure of working with some great entrepreneurs, professionals and leaders.

Moving minds - Transforming performance

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Important Notice

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